



DSG(2011)P054

Programme Update

November 2011

This update incorporates reports from a range of partners involved in delivering elements of the *Caithness & north Sutherland Action Plan*. It is hoped that by condensing multiple reports into one paper the information will be disseminated more efficiently amongst the various groups such as the CNSRP Advisory Board, Executive Board and the Dounreay Stakeholders' Group.

Key Issues and highlights:

- Business Gateway and the North Highland Regeneration Fund have supported the creation of 18 new or secured jobs in the first six months of 2011/12 in the energy and business services sectors.
- AECOM has been commissioned by HITRANS and the Highland Council to undertake a study on the “internal” transport infrastructure of Caithness in relation to the emerging needs of the energy sector. The study will focus in particular upon the roads infrastructure linking ports and key business/ industrial space.
- Work has started on the £20M development project at Scrabster harbour.
- North Highland College’s new Engineering Technology & Energy Centre had its first intake of students in September.
- Demolition and construction work has started on the self-catering development at John O’Groats – part of the first phase of the John O’Groats Masterplan.
- An “information room” has now been opened on site at Dounreay, containing summaries of progress with priority actions being pursued by the partners in CNSRP.

Caithness & North Sutherland Action Plan 2011-14

The key priorities identified for 2011-14 are to:

- Work with existing area businesses in the energy and business services sectors to help them diversify and grow their businesses.
- Encourage new business starts in the energy and business services sectors
- Deliver a targeted programme of inward investment activity focused on energy and business services-related opportunities.
- Support the delivery of key enabling infrastructure such as ports and harbours, road, rail and air transport, skills transition and digital connectivity.

Key to “traffic light” reporting system:

Each text entry will have a colour-coded box beneath it. This will indicate the approximate percentage of the activity that has been completed to date, and will indicate the responsible owner for the activity. The box will be colour-coded as follows:

	Activity is on schedule to be delivered.
	Activity has been delayed, or is taking longer to complete than originally expected.
	Activity has not happened, or is in danger of not happening.

Progress with High Priority activities

Energy - Existing Company growth:

Account-managed Company growth	HIE
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HIE staff are actively working with over 10 account managed companies within the energy sector utilising specialist advice and HIE grant funding.

Non-account managed company growth/ new business starts	BG & NHRF
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Support from the North Highland Regeneration Fund and Business Gateway has encouraged investment in new and existing companies in the energy sector during the first half of 2011/12, with a projected 5 new or secured jobs as a result.

Energy – Inward Investment:

Inward Investment campaign	HIE & SDI
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HIE commissioned research into three areas of potential inward investment in the energy sector (oil & gas opportunities, electrical supply chain for renewables and pharmaceutical production). The research resulted in a list of potential target companies identified in each sector, to be followed up by HIE and SDI with specific proposition materials on Caithness/ North Sutherland as a business location. The long list of companies has been honed down to a shortlist of key targets through contact with the companies by HIE (for companies headquartered in Scotland) and SDI (for companies headquartered outside Scotland). Simon Coles has been seconded to HIE from Babcock International for 12 months to assist HIE with this next phase of work.

Inward Investment - radiopharmaceuticals	DSRL
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DSRL has commissioned an independent study into potential for developing a radio-pharmaceuticals operation in the area. A draft report has been received by DSRL.

Inward Investment - biomass	Newpark
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Newpark continues to pursue its ambitious biomass project at Georgemas.

Business Services - Existing Company growth:

Account-managed Company growth

HIE

The Pensions Administration Office (PAO) has begun the third phase of its redevelopment following its move to new premises at Forss. HIE ran a number of successful home-working information sessions throughout the area and saw a strong interest particularly from the Wick and Thurso areas. This was followed up by specific sessions run by home-working specialists Arise.

Non account-managed company growth/ new business starts

BG & NHRF

Support from the North Highland Regeneration Fund and Business Gateway has encouraged investment in new and existing companies in the business services sector during the first half of 2011/12, with a projected 13 new or secured jobs as a result.

Business Services - Inward Investment

Inward Investment

HIE & SDI

HIE commissioned research studies into potential targets for inward investment in the area of business services (including call centres, back-office/ shared services and home-working opportunities). The research resulted in a list of potential target companies identified in each sector, to be followed up by HIE and SDI with specific proposition materials on Caithness/ North Sutherland as a business location. The long list of companies has been honed down to a shortlist of key targets through contact with the companies by HIE (for companies headquartered in Scotland) and SDI (for companies headquartered outside Scotland). Simon Coles has been seconded to HIE from Babcock International for 12 months to assist HIE with this phase of work.

Energy and Business Services - Enabling activities

Scrabster Harbour development

Scrabster Harbour Trust

RJ Macleod, main contractor for Phase 1 of the harbour development, is making good progress. Work still scheduled for completion by summer 2012.

Wick Harbour studies

Wick Harbour Authority

Wick Harbour Authority expects to complete the feasibility studies at Wick Harbour by November 2011.

Onshore Visioning Action Plan

THC

The 10-point Action Plan developed by the Council in consultation with its partners is primarily focussed on the land-use planning of onshore development associated with the marine renewables sector in the area. Work is progressing on the actions, all of which have been incorporated into the delivery programme for Caithness and North Sutherland.

Marketing

HIE/SDI

Local companies were represented on the Invest Caithness stand at Offshore Europe exhibition in Aberdeen in September, where the joint Chamber/ HIE "Caithness Oil & Gas Directory 2012" was launched. Over 500 copies of the Directory were distributed at the event, which attracted over 1,500 exhibitors and 40,000 visitors per day.

Fusion

HIE

Following positive recent contacts with staff at Culham regarding opportunities in the fusion market, local companies are being made aware of a supply chain event being held at Cadarache in France.

Electricity Grid

HIE/ THC

Scottish & Southern Energy's Power Distribution company has announced a consultation for the Orkney-Caithness sub-sea connector project, which will come ashore around Forss/ Dounreay. (www.sse.com/OrkneyCaithness/ProjectInformation for details). These projects are part of the overall north of Scotland Grid enhancement programme, which could cost around £1bn over the next ten years.

IT Connectivity

HIE

The procurement process for the development of HIE's next-generation ("superfast") broadband project began in June. The signing of contracts for this major programme of work is expected by July 2012.

Skills Transition**CCoC**

The preliminary work for the Make the Right Connections programme highlighted up to 14 areas of skills shortage/ gap. A programme of training opportunities is being developed to focus on these. Applications for support for training are now being progressed through the programme.

North Highland College's new Engineering Technology & Energy Centre (ETEC) accepted its first intake of students in September. Final kitting out and commissioning of the facility is not yet complete, but already the centre has hosted local events.

STEM**HIE**

A number of local STEM-related projects came together in late September to hold an event at the new ETEC building at North Highland College. The event highlighted the range of activities being undertaken with local schools to promote science, technology engineering and maths subject areas.

In the meantime HIE has secured an extended commitment to funding the network of STEM Ambassadors in the north, and UHI has appointed Katherine MacDougall from Thurso as its STEM coordinator.

Competitive Place**Caithness Ambassadors****HIE**

HIE Area team continues with its "Caithness Ambassadors" programme. This brings together groupings of senior business people from across the UK with Caithness connections.

Enterprise Zone/ Marine Energy park**SG/ John Thurso MP**

Local/ regional representatives from the Pentland Firth & Orkney Waters Leadership Forum have endorsed the proposal to seek Marine Energy Park status for the area. A presentation has been prepared for submission to the Department for Energy & Climate Change at Westminster.

Transport - Road**THC/ Transport Scotland**

Local representatives met with the General Secretary and Assistant Secretary of the Scottish Trades Union Congress (STUC) in October and they agreed to lobby senior politicians about the affordability of road solutions at Berriedale Braes. HITRANS has commissioned a study into the "internal" transport infrastructure of the area, in relation to the onshore work to support the energy industry in particular. AECOM consultants, based in Aberdeen, will carry out the work, which is expected to report during November.

Transport - Air**HIAL**

A joint meeting of Aberdeen Chamber of Commerce and Caithness organisations was held in Caithness in September, and focused on the potential for joint initiatives focusing on the Wick- Aberdeen air link.

Transport – Rail**HITRANS/ DSRL**

NDA/ DSRL continue to examine railfreight issues surrounding the transport of spent fuels from Dounreay to Sellafield.

A Rail Accident and Investigation Branch report on the safety of level crossings has recommended action on a number of level crossings, including some on the Far North Line.

Dornoch Rail Link Action Group is carrying out a rail users' survey, to gauge support for line improvements such as a Dornoch rail link.

Monitoring/ Assessing/ Communicating progress

Socio-economic impact of Dounreay decommissioning

CNSRP

HIE and DSRL have jointly funded a study to assess the updated socio-economic impact of Dounreay decommissioning. This will draw on data originally drawn together to form baseline indicators in 2006, offering a picture of how the area's economy has changed in the last five years, and how interventions by public sector partners might have impacted this. A Draft Report is now being reviewed by commissioning partners.

Information displays

DSRL

Nigel Lowe, the NDA's new Head of Programme for Dounreay, opened an Information Room on-site, featuring a number of posters outlining progress with the programme of diversifying the economy away from dependence on Dounreay work. The room also holds copies of key documents relating to the activities being carried out by partners. It is open to all DSRL and supply chain staff, and will be updated on a regular basis to reflect the changing nature of the programme. It is hoped that a mobile version of the information will be made available to be used throughout the area as a means of communicating progress.

Progress with other activities

Food & Drink – Existing Company growth

HIE

Reid's of Caithness has secured a high-profile contract to supply Celebrity Chef Jamie Oliver's JME range of foods. The company also picked up two awards at the Highlands and Islands Food & Drink awards for 2011 (the "Best New Product" and "Distance No Object" awards).

Tourism – Existing Company Growth

JOGH/ HIE

Work has now started on the demolition of the hotel building and the construction of self-catering units as part of Phase 1 of the John O'Groats Masterplan, with completion expected in summer 2012.

Tourism – Enabling Activities

Ambitious for Tourism

HIE

VisitScotland's Chairman will attend an event in Wick in November, at which VisitScotland, HIE, Highland Council, North Highland Tourism and Caithness

Chamber of Commerce will all participate in discussions. The “Ambitious for Tourism – Caithness and North Sutherland” plan will be featured.

National Nuclear Archive

DSRL

Whilst NDA undertakes an estate-wide review of its information systems requirements DSRL agreed to facilitate a public consultation on the plans for the archive facility in Wick. Around 70 people attended the drop-in session. NDA has agreed that outline planning will be sought later this financial year.

Town Centre development

CCoC

Caithness Chamber of Commerce’s Town Centre Development project has now recruited two new staff members (Andrew O’Sullivan and Nicola Cameron) to cover Wick and Thurso town centres.